

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawaii 96813

January 27, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Maui

Approval of Lease of Private Property with on behalf of the Department of
Land and Natural Resources, Division of Boating and Ocean Recreation
for storage purposes, Wailuku, Maui
Tax Map Key: 2-3-4-020-070.

APPLICANT:

Department of Land and Natural Resources, Division of Boating and Ocean
Recreation whose business and mailing address is 333 Queen Street,
Suite #300, Honolulu, Hawaii, 96813.

LANDOWNER:

VMB, LLC A California Limited Liability Company, whose business and mailing
address is VMB, LLC c/o Prudential Commercial Services Iwado Realty,
296-A Alamaha Street, Kahului, Maui, Hawaii, 96732.

LEGAL REFERENCE:

Section 171-30, Hawaii Revised Statutes, as amended.

LOCATION:

210 Imi Kala Drive, Millyard Plaza No. # 4-S, situated at Wailuku, County of
Maui, Hawaii, 96793

AREA:

600 Rentable Square Feet of Storage Space

ITEM J-1

ZONING:

State Land Use District: Urban
County of Maui CZO: Business/industrial

CHARACTER OF USE:

To be used for general storage by DOBOR Maui District Office.

LEASE TERM:

Four years and eleven months.

RENT:

Monthly base rent of (\$600.00) SIX HUNDRED AND 00/100 DOLLARS with (3%) three percent annual increases, and Lessee's proportionate share of Lessor's operating costs based on the calendar year. Operating Costs, including Real Property Tax (RPT) has been estimated to be .285 per usable square foot based on 2005. The lessee may obtain an exemption from RPT under Hawaii Revised Statutes Section 246-36(2). The Exemption will reduce the Lessees pro rata share of the Operating Costs.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>x</u>	NO <u> </u>
Registered business name confirmed:	YES <u>x</u>	NO <u> </u>
Applicant in good standing confirmed:	YES <u>x</u>	NO <u> </u>

REMARKS:

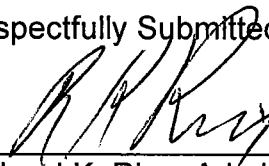
The Division of Boating and Ocean Recreation (DOBOR) recently moved its Maui District Office to the Mill Yard Plaza at 210 Imi Kala Drive in Wailuku. DOBOR is presently in great need of additional storage space, as this office has downsized considerably. A storage unit has been identified within the same building, with location being ideal as it is conveniently positioned on the lower level just below the new office as shown in Exhibit A. The Department of Accounting and General Services has instructed DOBOR to negotiate directly with the Lessor for storage, and the Attorney General's Office has given preliminary review of the Lease as to form. The Lease will return again to the Attorney General for final review approval as part of the process.

RECOMMENDATION:

That the Board approve entering into a lease with VMB, LLC. c/o Prudential Commercial Services Iwado Realty on behalf of Department of Land and Natural Resources, Division of Boating and Ocean Recreation covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

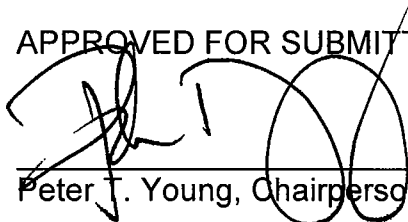
1. Review and approval by the Department of the Attorney General; and
2. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Richard K. Rice, Administrator

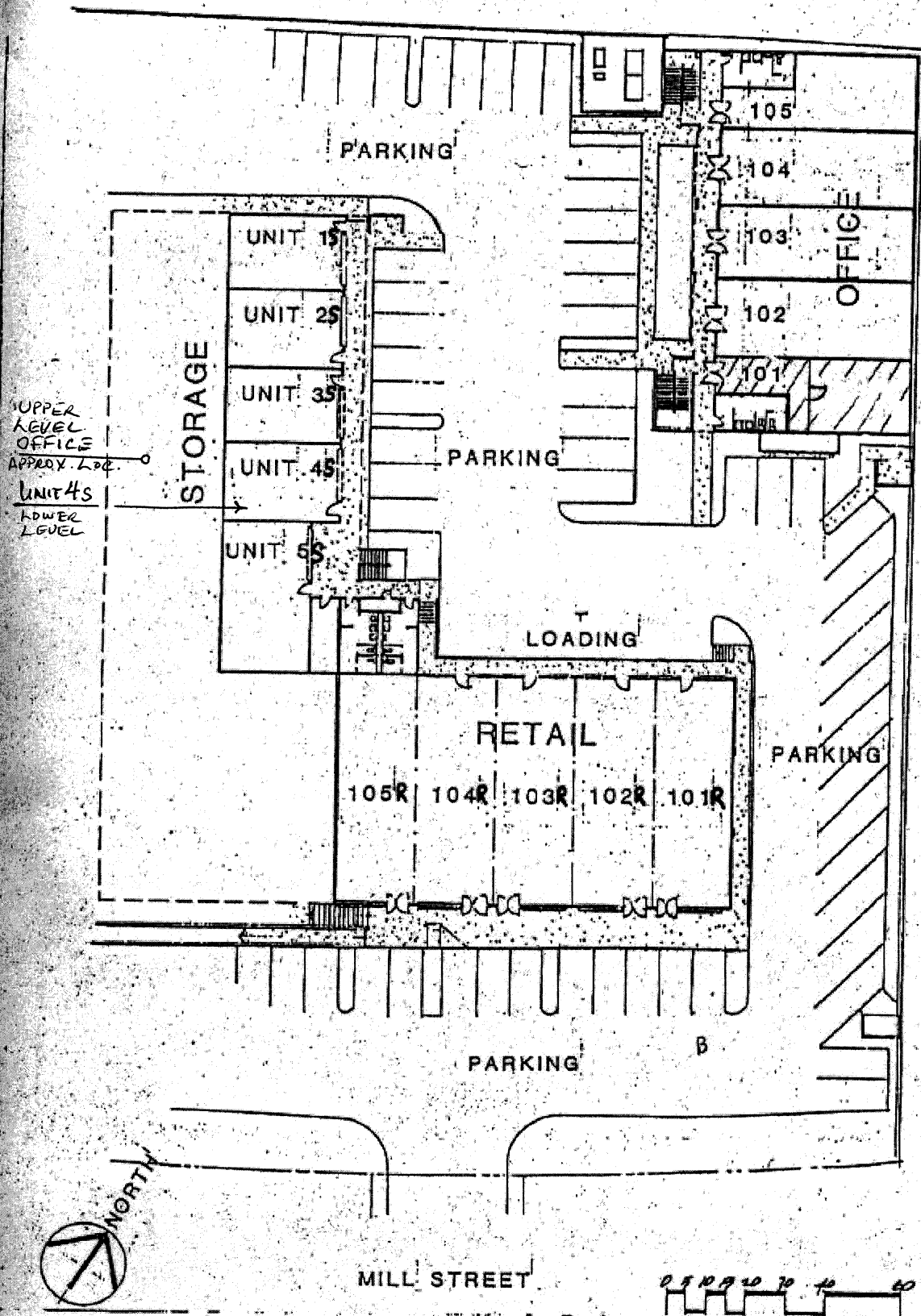
APPROVED FOR SUBMITTAL:



Peter T. Young, Chairperson

EXHIBIT A

THE MILLYARD PLAZA



LOWER LEVEL FLOOR PLAN